



February 26, 2014

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554  
Attn: Wireline Competition Bureau

Re: WC Docket No. 10-90  
Rural Broadband Experiment Expression of Interest

Dear Ms. Dortch:

Geneseo Communications, Inc., the holding company for Geneseo Telephone Company ("ILEC") and Geneseo Communications Services, Inc. ("CLEC") collectively referred to in this letter as "Geneseo", hereby expresses interest in participating in the Federal Communications Commission's ("Commission") rural broadband experiments to provide robust, scalable high-speed broadband to unserved high-cost areas with additional Connect America Funding. Geneseo proposes to serve the following rural areas in Western Illinois<sup>1</sup>:

State	County	CountyName	TractID	Eligible High Cost Locations	Extremely High Cost Locations	Annual Support
IL	17071	Henderson	17071973300	434	111	\$185,633
IL	17071	Henderson	17071973400	533	107	\$284,540
IL	17071	Henderson	17071973500	162	52	\$133,965
IL	17073	Henry	17073031000	94	31	\$50,007
IL	17073	Henry	17073031100	36	12	<b>\$19,803</b>
IL	17073	Henry	17073031200	12	3	\$85,138
IL	17095	Knox	17095000100	49	9	\$119,339
IL	17095	Knox	17095000200	86	21	\$212,966
IL	17095	Knox	17095000300	16	4	\$10,864
IL	17095	Knox	17095001200	40	1	\$58,818
IL	17095	Knox	17095001400	203	43	\$221,667
IL	17095	Knox	17095001500	72	23	\$84,789
IL	17095	Knox	17095001600	15	6	\$71,872
IL	17131	Mercer	17131040100	216	35	\$223,150
IL	17131	Mercer	17131040200	940	268	\$440,241
IL	17131	Mercer	17131040400	478	120	\$273,197
IL	17161	Rock Island	17161020100	243	19	\$127,758
IL	17161	Rock Island	17161024101	134	15	\$48,239
IL	17161	Rock Island	17161024102	109	0	\$31,105
IL	17161	Rock Island	17161024103	882	80	\$423,542
IL	17187	Warren	17187870100	607	190	\$301,397
IL	17187	Warren	17187870200	223	68	\$292,327
IL	17187	Warren	17187870300	616	162	\$591,937
IL	17187	Warren	17187870400	133	1	\$35,432
IL	17187	Warren	17187870500	111	1	<b>\$18,561</b>
				6,494	1,383	\$4,345,328

<sup>1</sup> 15 Census tracts in one of these six counties covering 107 eligible high cost areas and on the FCC report of unserved areas are excluded from our proposal. Geneseo believes these areas are not unserved and therefore should not qualify for funding. However, Geneseo would be happy to include these areas should our survey result prove differently.

In support of our interest, Geneseo offers up the following information:

### **Background/History**

Geneseo's history dates back to 1905 as an incumbent local exchange carrier. The current management team has over 150 years of experience building, managing and operating telecommunications networks to rural customers in Western Illinois. Geneseo currently has one of the lowest basic service rates for both broadband and local telephone service in the state of Illinois. Geneseo's service quality, as measured quarterly by the Illinois Commerce Commission ("ICC") has produced high reliability and quality results. Geneseo currently operates with significantly less Connect America Funding than its neighboring ILEC's<sup>2</sup>, no state of Illinois funding<sup>3</sup>, and no American Recovery and Reinvestment Act funding.

Geneseo has built and operated a wireless PCS network, a wireless internet service provider, short and long haul fiber optic backbone, and a robust broadband networks including ADSL, SDSL and Fiber to the Home. Geneseo has served as the E-911 service provider for the county of Henry, Illinois since 1984, owns and operates its own data center, and sells computer hardware and software to end users. Geneseo is an eligible telecommunications carrier and is certified in the State of Illinois and Iowa.

### **Proposed Territory**

The American Recovery and Reinvestment Act of 2009 awarded over \$400M to various parties to build out broadband networks in Illinois. All but eight<sup>4</sup> of the Illinois counties were covered by this funding. Geneseo's proposed service Territory would encompass six of the remaining eight counties<sup>5</sup>. Geneseo's proposed territory would close the gap within the State of Illinois by providing advanced broadband service to those unserved areas, including anchor institutions located within the proposed service territory.

### **Proposal**

Geneseo proposes a public/private 75/25 partnership. Geneseo is prepared to match \$1.00 for every \$3.00 that is drawn from the Connect America Funding ("CAF"). These funds will be used exclusively for capital assets through the construction phase of the network. This would be consistent with requirements for recipients that were awarded ARRA funding. After construction, Geneseo would propose to supply all operating expenses associated with the network, with all future CAF funds reserved in an escrow account for future capital enhancements and upgrades of the network. This would ensure accountability that public dollars are being spent on continued network upgrades and technology improvements. Geneseo has already developed many of the engineering plans necessary to build out this network as Geneseo produced these documents in 2010 during an unsuccessful attempt to be awarded American Recovery and Reinvestment Act Funds ("ARRA")<sup>6</sup>.

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<sup>2</sup> Based on 2009 data, Geneseo per access line support per year was \$215, the third lowest in the state of Illinois and 40% of the average for the entire state of Illinois.

<sup>3</sup> The State of Illinois currently distributed almost \$20M per year. Because this amount is based upon company need (earnings before support), Geneseo has not qualified for state funding since 2000.

<sup>4</sup> Fulton, Hancock, Henry, Henderson, Knox, Mercer, Rock Island, Warren.

<sup>5</sup> Henry, Henderson, Knox, Mercer, Rock Island, and Warren. Geneseo understands that another small rural ILEC may have plans to develop Fulton and Hancock, and Geneseo believes they are better suited to provide service to these counties.

<sup>6</sup> Geneseo proposal to build an 11 counties, 595 miles backbone and end user network to western Illinois was endorsed by the State of Illinois. The State of Illinois awarded Geneseo \$4M in funding if awarded funds by the American Recovery and Reinvestment Act. Geneseo was also part of the 5 applicant consortium that would have covered 100% of the State of Illinois. Geneseo was not awarded any funds for the build-out. Three counties Geneseo proposed to build were absorbed by other ARRA award winners, leaving eight counties with no funding..

The Commission's calculation of CAF support is appropriate, and Geneseo believes it would take 5 years to build out the entire network. 70% of the geographical network and 92% of the customers could be built out within 3 years<sup>7</sup>. The remaining 30% of the geographical network, or 8% of the population, would require 2 additional years. This is mainly due to the low density population. This timeframe is consistent with the timeframe granted to ARRA recipients. The entire cost of the network is estimated to be \$29M, \$21.7M from the CAF over 5 years, \$7.2M in Geneseo capital.

Before building, Geneseo would propose to survey and document each census block within the area to ensure that no funds or construction would be performed for areas that are already served or in the process of being served but not completed. Geneseo understands that competition is growing, even in these areas, through wireline, cable and wireless providers and that the goal of funding for the Connect America Fund is to try and reach unserved areas. Therefore, this survey would ensure only those areas that are currently unserved are reached as well as verify if some areas that are not on the list are indeed being served.

Geneseo currently has available and ready for use 85 miles of fiber optic cables that cross into and through many of the proposed areas. Geneseo would propose to utilize its current network, enhanced by new facilities, as the backbone to connect anchor institutions, residents and business with broadband service using a mixture of best of breed technology. This would include Fiber, Fiber to the Home, copper ADSL and wireless technology, all of which Geneseo currently owns and operates in its current network.

#### **Service Levels**

Geneseo would propose a minimum of 4 MBP downstream and 1 MBP upstream in order to meet the FCC's targeted minimum thresholds, but would build the network to provide services and speeds well in excess of the minimum thresholds. Geneseo believes customer demand for the higher speeds will dictate the level of service above the FCC threshold. All services will come with voice applications, including all applicable services considered as basic universal voice service.

#### **Pricing**

At time of introduction of service, Geneseo would propose to average the rates in the closest neighboring urban area (expected to be Rock Island, Moline and/or Galesburg, IL) of the incumbent local exchange carrier, the cable TV service provider and any wireless carriers broadband only service to come up with its pricing structure for services. Pricing for anchor institutions would be consistent with the State of Illinois<sup>8</sup> published pricing. Geneseo will also participate in the Broadband lifeline program, if applicable to the census tracts developed.

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<sup>7</sup> Geneseo assumes an 8 month construction period (April – November). Given the harsh winter experienced in Western Illinois in 2013-2014, this timeframe could be accelerated if weather permits.

<sup>8</sup> Illinois Department of Central Management Services at [http://www.illinois.net/services/ICNServicesRates\\_CAI.pdf](http://www.illinois.net/services/ICNServicesRates_CAI.pdf)

**Conclusion**

Geneseo believes a public/private partnership would be the best avenue for success for the census tracts listed above, and would propose through a 75/25 partnership using Connect America Funds to assume responsibility for these tracts in order to help meet the goal of universal broadband. Geneseo knows the current service providers in the area, and would survey the current service providers within the area to ensure that no facilities are built to any customer that currently is being serviced by a carrier that received Connect America Fund for the given census blocks. Absent an alternative plan Geneseo urges the FCC to move forward with appropriate application and orders so Geneseo may begin construction as soon as possible in order to be able to serve these unserved areas with broadband and to move closer to the FCC goal of universal broadband across the country.

Sincerely:

A handwritten signature in blue ink, appearing to read "Scott D. Rubins".

Scott D Rubins  
President & CEO  
Geneseo Communications, Inc.